

PHILIP MORRIS USA

INTER-OFFICE CORRESPONDENCE

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TO: L. Camilleri
FROM: R. Anise
SUBJECT: Doral Promotional Support

DATE: December 2, 1998

The following is in response to your question regarding Gary Black's comments on Doral promotional support.

Based on a review of Nielsen data from c-stores it does not appear that RJR has significantly reduced Doral promotional spending at retail. However, a recent slight decrease is evident in money-off values and free product has declined from a relatively low 15-20% to less than 5% in the most current periods.

Gary Black's view of Doral support is based on the IRI/Marlin service which provides him with pricing/promotional activities for scanning trade classes only (supermarkets, drug stores and mass merchandisers). We do not believe that performance in these trade classes provides an accurate indicator of Doral promotional activity.

cc:
D. Beran
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encl.:

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